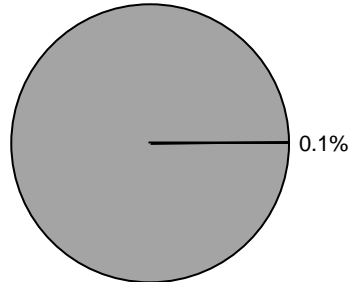


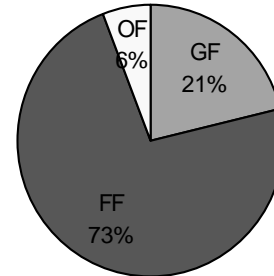
FY2007 Budget Briefing

Secretary of State

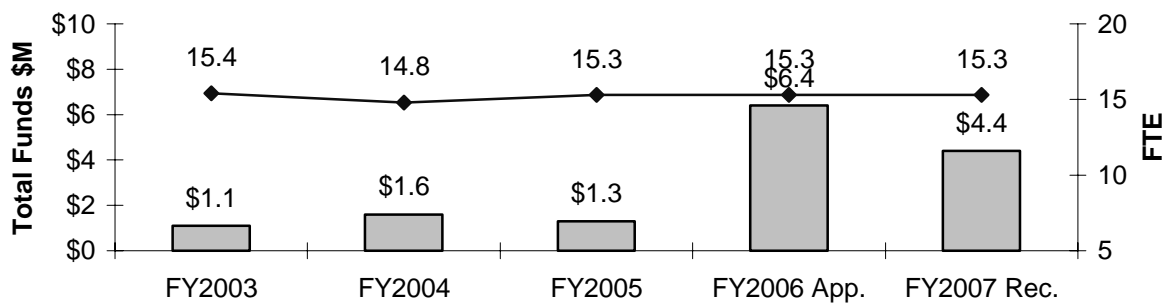
Agency's Share of Total
Budgeted State General Fund FY2007



Agency's Funding Source Split
FY2007 Recommended



Budget History



Key Responsibilities

- To promote the efficient operation of state government through the efficacious performance of statutory “secretarial duties”;
- To provide leadership and assistance in federal, state, and local elections;
- To accurately and efficiently administer the corporation and Uniform Commercial Code (UCC) functions prescribed by South Dakota and federal law; and
- To provide efficient and accurate operations in the filing and recording of all public state documents.

Key Personnel

- Secretary of State, Chris Nelson
- Deputy Secretary, Chad Heinrich
- Supervisor of Elections, Kea Warne

Secretary of State

The funding for the Office of the Secretary of State comes from the State General Fund, funding from the federal Help America Vote Act, and revenue generated from the operation of the Central Filing System (CFS) of Uniform Commercial Code (UCC) documents. For FY2007, the Governor recommends total funding of \$934,291 from the State General Fund, \$3,234,321 federal, and \$261,595 from other funds, and 15.3 FTEs.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	752,308	777,311	781,659	807,603	30,292	3.9%
Travel	13,223	18,940	18,940	18,940	-	0.0%
Contractual Services	247,623	499,927	408,764	466,764	(33,163)	-6.6%
Supplies and Materials	105,310	109,050	131,800	131,800	22,750	20.9%
Grants and Subsidies	125,613	-	3,000,000	3,000,000	3,000,000	0.0%
Capital Outlay	25,452	5,005,100	5,100	5,100	(5,000,000)	-99.9%
TOTAL	1,269,529	6,410,328	4,346,263	4,430,207	(1,980,121)	-30.9%
Funding Sources:						
General Funds	897,698	913,985	913,985	934,291	20,306	2.2%
Federal Funds	256,636	5,221,533	3,232,507	3,234,321	(1,987,212)	-38.1%
Other Funds	115,195	274,810	199,771	261,595	(13,215)	-4.8%
TOTAL	1,269,529	6,410,328	4,346,263	4,430,207	(1,980,121)	-30.9%
FTE	15.3	15.3	15.3	15.3	-	0.0%

The Governor's recommendation throughout this analysis also includes funding for Performance And Compensation Equity (PACE) movement of 2.5% for those employees who are paid under the job-worth of their pay range, a 3% across-the-board increase for all permanent employees, and an increase in the employer paid portion of the state health insurance plan. The recommended amounts for each segment of the compensation package are as follows:

	General Funds	Federal Funds	Other Funds	Total
2.5% PACE Movement	-	-	-	-
3% Across-the-Board	16,691	1,500	3,039	21,230
Health Insurance	3,615	314	785	4,714
Total	20,306	1,814	3,824	25,944

Major Expansions and Reductions

Budget Item	State General			State General		
	Fund	All Funds	FTE	Fund	All Funds	FTE
A. Personal Services	2,663	4,348	0.0	22,969	30,292	0.0
B. Contractual Services	-	(91,163)	0.0	-	(33,163)	0.0
C. Supplies and Materials	-	22,750	0.0	-	22,750	0.0
D. Grants and Subsidies	-	3,000,000	0.0	-	3,000,000	0.0
E. Capital Outlay	-	(5,000,000)	0.0	-	(5,000,000)	0.0
Total	2,663	(2,064,065)	0.0	22,969	(1,980,121)	0.0

The major expansions and reductions are as follows:

- A. Most of the increase for personal services is the cost of the Governor's recommended salary policy.
- B. The Governor recommends a decrease of \$33,163 for contractual services.
- C. The Governor's recommended increase of \$22,750 for supplies and materials is composed of a \$25,000 increase to cover the cost of printing *The Legislative Manual* offset by slight reductions.
- D. For grants and subsidies, the Governor recommends an increased appropriation of \$3 million from federal funds to fund requests by the counties for implementing election-related expenditures as a result of the Help America Vote Act (P.L. 107-252).
- E. Capital outlay is to be reduced by \$5 million from federal funds to reflect purchase of electronic voting machines during FY2006.

General Fund Reversions for the 5 most recent fiscal years were: FY2005, \$4,481; FY2004, \$8,848; FY2003, \$8,701; FY2002, \$0; and FY2001, \$78.

Revenues

	<u>Actual</u> <u>FY2004</u>	<u>Actual</u> <u>FY2005</u>	<u>FY2006</u> <u>Estm.</u>	<u>FY2007</u> <u>Estm.</u>	<u>%Change</u> <u>Over FY2004</u>
UCC	\$1,042,898	\$1,043,778	\$1,100,000	\$1,100,000	5.5%
Voter Registration Lists	17,875	34,650	15,000	20,000	11.9%
Pistol Permits	69,765	74,543	70,000	70,000	0.3%
Domestic Corporations	1,478,046	1,594,100	1,500,000	1,500,000	1.5%
Foreign Corporations	1,248,169	1,294,268	1,300,000	1,300,000	4.2%
Business Name					
Registration (online only)	0	21,270	20,000	20,000	n/a
Trademark Registrations	48,700	48,400	50,000	50,000	2.7%
Notaries Public	93,451	102,183	98,000	98,000	4.9%
Copies (Except UCC)	64,746	68,200	65,000	65,000	0.4%
Miscellaneous	33,035	61,727	60,000	60,000	81.6%
Total	\$4,096,685	\$4,343,119	\$4,278,000	\$4,283,000	4.5%

Selected Performance Indicators

	<u>Actual</u> <u>FY2004</u>	<u>Actual</u> <u>FY2005</u>	<u>Estimated</u> <u>FY2006</u>	<u>Estimated</u> <u>FY2007</u>
UCC I Statements	27,284	34,360	35,000	35,000
UCC III Cont/Amend/Assignment	18,702	23,372	23,500	24,000
Dakota Fast File Registrants	1035	1,000	1,100	1,300
Effective Financing Statements	9,592	9,530	9,600	9,800
Pistol Permits	10,024	10,649	10,500	10,500
Notary Commissions	3,767	4,138	3,500	3,500
Statewide Campaign Finance Reports	280	511	500	500
Statewide Initiative & Referendum Petitions	1	-	9	-
Voter Registration List	28	32	30	30

Other Departmental Issues

A. Interim Appropriation Actions

No interim appropriation actions were taken.